Iraqgate strips the Teflon from Bush

Jack Anderson 8/21/92

WASHINGTON — The White House is hunkering down on two separate fronts for war over Iraq during this fall's election: one in Baghdad concerning weapons inspections, the other in Washington involving the mushrooming "Iraqgate" scandal.

The latest Iraqgate battle started when the Bush administration rejected the House Judiciary Committee's request for a special prosecutor to probe the administration's "tilt" toward Baghdad starting in the mid-1980s at the height of the Iran-Iraq war, and continuing until the eve of Iraq's invasion of Kuwait two years ago this month.

House Banking Committee Chairman Henry Gonzalez, D-Texas, is set to conduct a new round of hearings in connection with his ongoing investigation into Iraqgate. Last week Gonzalez issued "the first of many" subpoenas to examine classified Iraqgate documents that have been withheld up to now by the Justice Department.

"For the first time, the committee is issuing subpoenas for documents from the Justice Department, the CIA, the Defense Intelligence Agency and the National Security Agency," Gonzalez said. These documents, which the Bush administration has refused to provide, could offer the smoking gun evidence.

From an accolade to an Achilles' heel, President Bush's handling of Iraq is fraught with military as well as political peril. When we asked one hard-eyed strategist for Bill Clinton what impact Iraqgate would have on the presidential election, he replied:

"I'm not a real believer in silver bullets, but in terms of bringing down Bush's positive in foreign policy and scratching off the Teflon on his foreign policy expertise, this is doing that."

At this point, the Clinton camp would settle for a draw on the foreign policy debate, since they're counting on routing Republicans on domestic affairs. Foreign affairs is any incumbent president's trump card — particularly Bush's because of Desert Storm. But if Gonzalez's ongoing investigation unmasks any criminal wrongdoing stemming from the Bush administration's pro-Baghdad policies, the Gulf War victory will lose its remaining luster.

The Republican National Committee has responded fitfully by invoking "trust" as an issue in foreign affairs, a clear reference to allegations about Clinton's personal life. The GOP attack dogs are already snarling: Clinton is erratic, he's in over his head, he was only the governor of a small state and he wouldn't know how to perform as commander-in-chief.

After initially responding defensively, Clinton scored a stunning counter punch — with one sound byte — by mentioning the obvious: Ronald Reagan was once a governor, too, and George Bush and James Baker wouldn't have jobs today without him. It was the Bush and Baker team, they will argue, that coddled the dictator whom the president later compared with "Hitler."

This coddling wrought Iraqgate, comprised of several scandals within scandals: the deliberate doctoring of documents by the Commerce Department regarding exports to Iraq; the deliberate misleading of Congress by U.S. government officials; and administration knowledge or complicity in loans to Iraq in the 1980s by the Atlanta branch of Italy's Banca Nazionale de Lavoro, which may have been diverted by Baghdad to its military.

Gonzalez plans to subpoena the mastermind of the BNL-Iraq connection, Christopher Drogoul, to testify before the congressional committee this fall — setting the stage for some of the most explosive testimony to date.

Drogoul pleaded guilty earlier this summer to some 60 counts surrounding the massive bank fraud, but Justice Department officials kept him from testifying publicly on what U.S. officials may have known about his activities.

Even if the investigation does not uncover any more details, enough is already known to provide a powerful indictment of the Reagan and Bush administrations. Documents obtained by Congress illustrate that starting three years ago the White House and State Department had full knowledge of Iraqi arms procurement networks working in Europe and the United States — including ones for nuclear and chemical weapons.

At its core, the question underlying Iraqgate is: Did the Reagan and Bush administrations violate laws in creating a Middle East monster, and then engage in a cover up after Saddam invaded Kuwait?

As Republicans gird for a new round of congressional probes into Iraqgate, Democrats smell blood — and they may move in for the kill this fall. If they can strip away the trophies Bush has won for foreign affairs — and given his administration's dearth of domestic successes — the specter of renewed congressional investigations this fall could make Houston a short-lived honeymoon for Republicans.

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